

Form 990

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2011

Open to Public Inspection

A For the 2011 calendar year, or tax year beginning 01-01-2011 and ending 12-31-2011

B Check if applicable

☐ Address change

☐ Name change

☐ Initial return

☐ Terminated

☒ Amended return

☐ Application pending

C Name of organization
THE HERITAGE FOUNDATION

Doing Business As

Number and street (or P O box if mail is not delivered to street address)
214 MASSACHUSETTS AVENUE NE

Room/suite

City or town, state or country, and ZIP + 4
WASHINGTON, DC 20002

F Name and address of principal officer
DR EDWIN J FEULNER JR
214 MASSACHUSETTS AVENUE NE
WASHINGTON,DC 20002

H(a) Is this a group return for affiliates?

☐ Yes ☒ No

H(b) Are all affiliates included?

☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

D Employer identification number
23-7327730

E Telephone number
(202) 546-4400

G Gross receipts \$ 150,274,063

I Tax-exempt status ☒ 501(c)(3) ☐ 501(c) () ◀(insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.HERITAGE.ORG

K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation 1973

M State of legal domicile DC

Part I	Summary																																
Activities & Governance	<div><div>1</div><div>Briefly describe the organization's mission or most significant activities TO FORMULATE AND PROMOTE CONSERVATIVE PUBLIC POLICIES BASED ON THE PRINCIPLES OF FREE ENTERPRISE, LIMITED GOVERNMENT, INDIVIDUAL FREEDOM, TRADITIONAL AMERICAN VALUES, AND A STRONG NATIONAL DEFENSE</div></div>																																
	<div><div>2</div><div>Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets</div></div>																																
	<table><tr><td>3</td><td>Number of voting members of the governing body (Part VI, line 1a)</td><td>25</td></tr><tr><td>4</td><td>Number of independent voting members of the governing body (Part VI, line 1b)</td><td>23</td></tr><tr><td>5</td><td>Total number of individuals employed in calendar year 2011 (Part V, line 2a)</td><td>504</td></tr><tr><td>6</td><td>Total number of volunteers (estimate if necessary)</td><td>31</td></tr><tr><td>7a</td><td>Total unrelated business revenue from Part VIII, column (C), line 12</td><td>0</td></tr><tr><td>7b</td><td>Net unrelated business taxable income from Form 990-T, line 34</td><td>0</td></tr></table>	3	Number of voting members of the governing body (Part VI, line 1a)	25	4	Number of independent voting members of the governing body (Part VI, line 1b)	23	5	Total number of individuals employed in calendar year 2011 (Part V, line 2a)	504	6	Total number of volunteers (estimate if necessary)	31	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0	7b	Net unrelated business taxable income from Form 990-T, line 34	0														
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Expenses	<table><tr><td>13</td><td>Grants and similar amounts paid (Part IX, column (A), lines 1–3)</td><td>474,170</td><td>525,384</td></tr><tr><td>14</td><td>Benefits paid to or for members (Part IX, column (A), line 4)</td><td>0</td><td>0</td></tr><tr><td>15</td><td>Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)</td><td>31,184,583</td><td>32,858,870</td></tr><tr><td>16a</td><td>Professional fundraising fees (Part IX, column (A), line 11e)</td><td>4,111,462</td><td>3,952,210</td></tr><tr><td>b</td><td>Total fundraising expenses (Part IX, column (D), line 25) ▶15,598,163</td><td></td><td></td></tr><tr><td>17</td><td>Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)</td><td>44,608,035</td><td>42,697,364</td></tr><tr><td>18</td><td>Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)</td><td>80,378,250</td><td>80,033,828</td></tr><tr><td>19</td><td>Revenue less expenses Subtract line 18 from line 12</td><td>-2,124,386</td><td>-7,862,845</td></tr></table>	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	474,170	525,384	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	31,184,583	32,858,870	16a	Professional fundraising fees (Part IX, column (A), line 11e)	4,111,462	3,952,210	b	Total fundraising expenses (Part IX, column (D), line 25) ▶15,598,163			17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	44,608,035	42,697,364	18	Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	80,378,250	80,033,828	19	Revenue less expenses Subtract line 18 from line 12	-2,124,386	-7,862,845
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Net Assets or Fund Balances		Beginning of Current Year	End of Year																														
	20	Total assets (Part X, line 16)	196,167,571	174,109,394																													
	21	Total liabilities (Part X, line 26)	31,347,893	30,877,847																													
	22	Net assets or fund balances Subtract line 21 from line 20	164,819,678	143,231,547																													

Part II

Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature of officer

DR EDWIN J FEULNER JR PRESIDENT

2012-09-27

Date

Preparer's signature

WILLIAM E TURCO CPA

Firm's name (or yours if self-employed), address, and ZIP + 4

MCGLADREY LLP
9737 WASHINGTONIAN BLVD 400
GAITHERSBURG, MD 208787340

Date

Check if self-employed ☐

Preparer's taxpayer identification number (see instructions)
P00369217

EIN ▶ 42-0714325

Phone no ▶ (301) 296-3600

May the IRS discuss this return with the preparer shown above? (see instructions)

☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form 990 (2011)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III ☐ Yes ☒ No

1 Briefly describe the organization’s mission

TO FORMULATE AND PROMOTE CONSERVATIVE PUBLIC POLICIES BASED ON THE PRINCIPLES OF FREE ENTERPRISE, LIMITED GOVERNMENT, INDIVIDUAL FREEDOM, TRADITIONAL AMERICAN VALUES, AND A STRONG NATIONAL DEFENSE

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No

If “Yes,” describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No

If “Yes,” describe these changes on Schedule O

4 Describe the organization’s program service accomplishments for each of its three largest program services, as measured by expenses Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

4a	(Code)	(Expenses \$ 26,560,427	including grants of \$ 223,413)	(Revenue \$)
(SEE SCHEDULE O)PUBLIC POLICY RESEARCH THE HERITAGE FOUNDATION PRODUCES YEARLY HUNDREDS OF RESEARCH PAPERS, INCLUDING ISSUE BRIEFS, BLOG POSTS, FACT SHEETS, BACKGROUNDS, GUIDES AND BOOKS ADDRESSING A BROAD RANGE OF ECONOMIC, DOMESTIC, DEFENSE, FOREIGN AND SOCIAL POLICY ISSUES THESE PUBLICATIONS ANALYZE BOTH CURRENT PUBLIC POLICIES AND ALTERNATIVE POLICY RECOMMENDATIONS FOR SUBSTANCE AND MERIT THE RESULTS OF OUR RESEARCH ARE AVAILABLE IN PRINT FORMAT AND AT NO CHARGE THROUGH OUR WEBSITE, WHICH IS VISITED BY MILLIONS ADDITIONAL INFORMATION IS AVAILABLE IN OUR 2011 ANNUAL REPORT, AVAILABLE ONLINE AT HTTP //THF_MEDIA S3 AMAZONAWS COM/2012/PDF/THF_2011ANNREP_WEB PDF				

4b	(Code)	(Expenses \$ 24,102,552	including grants of \$ 202,738)	(Revenue \$ 206,109)
(SEE SCHEDULE O)EDUCATIONAL PROGRAMS IN ADDITION TO PUBLIC POLICY RESEARCH AND DISSEMINATION, THE HERITAGE FOUNDATION HOSTS EVENTS AND SPONSORS PROGRAMS TO EDUCATE GOVERNMENT OFFICIALS, THE ACADEMIC COMMUNITY, JOURNALISTS AND THE GENERAL PUBLIC ON TOPICS RANGING FROM THE FOUNDING FATHERS AND CIVIL SOCIETY TO POLITICAL PHILOSOPHY, AND LEGAL PRINCIPLES IN 2011, OUR LECTURES AND SEMINARS PROGRAM PRODUCED 188 PUBLIC EVENTS ATTRACTING NEARLY 13,000 ATTENDEES OUR RESOURCE BANK CONFERENCE DRAWS MORE THAN 580 CONSERVATIVE POLICY EXPERTS, ACTIVISTS, CONGRESS MEMBERS AND ENTREPRENEURS FOR THREE DAYS OF WORKSHOPS AND DISCUSSIONS AND OUR INTERN PROGRAM PROVIDED ALMOST 200 YOUNG PEOPLE AN INVALUABLE WORK-STUDY EXPERIENCE IN WASHINGTON, DC WE TRAINED AND GRADUATED NEAR 40 YOUNG CAPITOL HILL STAFFERS FROM OUR CONGRESSIONAL FELLOWS PROGRAM AND HOSTED NEARLY 40 MEETINGS FOR OUR MEMBERS, ATTRACTING MORE THAN 7,000 TOTAL PARTICIPANTS ADDITIONAL INFORMATION IS AVAILABLE IN OUR 2011 ANNUAL REPORT, AVAILABLE ONLINE AT HTTP //THF_MEDIA S3 AMAZONAWS COM/2012/PDF/THF_2011ANNREP_WEB PDF				

4c	(Code)	(Expenses \$ 11,797,297	including grants of \$ 99,233)	(Revenue \$)
(SEE SCHEDULE O)MEDIA AND GOVERNMENT RELATIONS THE HERITAGE FOUNDATION DISTRIBUTES ITS RESEARCH PRODUCT TO MEMBERS OF CONGRESS, CONGRESSIONAL STAFF, POLICYMAKERS IN THE EXECUTIVE BRANCH OF THE FEDERAL GOVERNMENT, STATE OFFICIALS, JOURNALISTS, MEMBERS OF THE ACADEMIC COMMUNITY, OTHER NON-PROFIT ORGANIZATIONS, THE GENERAL PUBLIC AND DONORS THE FOUNDATION CONDUCTS HUNDREDS OF BRIEFINGS FOR DOMESTIC AND INTERNATIONAL OFFICIALS, POLICYMAKERS, EXPERTS AND LAWMAKERS AND THEIR STAFF ON ISSUES RANGING FROM FEDERAL SPENDING AND UNFUNDED LIABILITIES TO HOMELAND SECURITY, TAX AND HEALTH POLICY OUR ANALYSTS MADE OVER 4,800 RADIO AND TELEVISION APPEARANCES IN 2011, AND EARNED MORE THAN 1,200 OP-ED PLACEMENTS IN MAJOR PRINT AND ONLINE MEDIA OUTLETS WE SENT OUT A DAILY NEWSLETTER, THE MORNING BELL, TO OVER 250,000 SUBSCRIBERS, AND PUBLISHED THOUSANDS OF BLOG POSTS ON THE FOUNDRY WE ALSO CONDUCT IN-DEPTH ISSUES-RELATED SEMINARS FOR MEMBERS OF THE MEDIA, ADDRESSING TOPICS SUCH AS HEALTHCARE AND HOMELAND SECURITY ADDITIONAL INFORMATION IS AVAILABLE IN OUR 2011 ANNUAL REPORT, AVAILABLE ONLINE AT HTTP //THF_MEDIA S3 AMAZONAWS COM/2012/PDF/THF_2011ANNREP_WEB PDF				

4d	Other program services (Describe in Schedule O)			
	(Expenses \$	including grants of \$	(Revenue \$)	

4e	Total program service expenses	\$ 62,460,276		
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Part IV Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.	1	Yes
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	2	Yes
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I.	3	No
4	Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.	4	Yes
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.	5	No
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I.	6	No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II.	7	No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.	8	No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV.	9	No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V.	10	Yes
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.	11a	Yes
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	11b	Yes
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	11c	No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	11d	No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	11e	Yes
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.	11f	Yes
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.	12a	Yes
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.	12b	No
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.	13	No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a	No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I.	14b	Yes
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV.	15	No
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? If "Yes," complete Schedule F, Part III and IV.	16	No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I.	17	Yes
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II.	18	No
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III.	19	No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H.	20a	No
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? Note. All Form 990 filers that operated one or more hospitals must attach audited financial statements.	20b	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i>	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i>	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>	28b		No
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i>	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>	30	Yes	
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	33		No
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a		No
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>	35b		No
36	Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>	36	Yes	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	Yes	

Check if Schedule O contains a response to any question in this Part V

Form **990** (2011)

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?		No
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		No
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		No
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	No
11b	Describe in Schedule O the process, if any, used by the organization to review the Form 990	
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes
13	Did the organization have a written whistleblower policy?	Yes
14	Did the organization have a written document retention and destruction policy?	Yes
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?	
15a	The organization's CEO, Executive Director, or top management official	Yes
15b	Other officers or key employees of the organization	Yes
15c	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)	
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	No
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	AK, AL, AR, AZ, CO, CT, DC, DE, FL, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MS, MO, MT, NC, ND, NE, NJ, NH, NM, NV, NY, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VA, VT, WA, WI, WV, WY
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization.	GEOFF LYSAUGHT 214 MASSACHUSETTS AVENUE NE WASHINGTON, DC 20002 (202) 546-4400

Check if Schedule O contains a response to any question in this Part VII ☐

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

Form **990** (2011)

Part VII

1b	Sub-Total			
c	Total from continuation sheets to Part VII, Section A			
d	Total (add lines 1b and 1c)	5,807,343	0	939,675

2 Total number of individuals (including but not limited to those listed in the table) who received more than \$100,000 of reportable compensation from the organization. 83

		Yes	No
3	Did the organization list any former officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	3	No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	4	Yes
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>	5	No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
PREMIERE RADIO NETWORKS 15260 VENTURA BLVD SHERMAN OAKS, CA 91403	MKTG & ADVERTISING	2,236,555
GIVE RIGHT INC 6715 SUNSET BLVD LOS ANGELOS, CA 90028	MKTG & FUNDRAISING	2,221,838
REBECCA HAGELIN COM AND MKT 4572 25TH RD NORTH ARLINGTON, VA 22207	MKTG & ADVERTISING	1,348,430
CONRAD DIRECT INC 300 KNICKERBOCKER RD CRESSKILL, NJ 07626	MAILING CONTACT MANAGEMENT	1,286,633
MERKLE RESPONSE 100 JAMISON COURT HAGERSTOWN, MD 21740	DIRECT MAIL & FULFILLMENT SERVICES	1,249,847

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶5

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514		
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a						
	b	Membership dues	1b						
	c	Fundraising events	1c						
	d	Related organizations	1d						
	e	Government grants (contributions)	1e						
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	65,687,562					
	g	Noncash contributions included in lines 1a-1f \$ 2,388,496							
	h	Total. Add lines 1a-1f		65,687,562					
Program Service Revenue			Business Code						
	2a	PUBLICATION SALES	900099	206,109	206,109				
	b								
	c								
	d								
	e								
	f	All other program service revenue							
	g	Total. Add lines 2a-2f		206,109					
Other Revenue	3	Investment income (including dividends, interest and other similar amounts)		1,025,263			1,025,263		
	4	Income from investment of tax-exempt bond proceeds . .							
	5	Royalties		59,497			59,497		
	6a	Gross rents	(i) Real	(ii) Personal					
			1,290,312						
			b	Less rental expenses	0				
			c	Rental income or (loss)	1,290,312				
	d	Net rental income or (loss)		1,290,312			1,290,312		
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other					
			79,643,353	1,656,488					
			b	Less cost or other basis and sales expenses	76,345,329	1,757,751			
			c	Gain or (loss)	3,298,024	-101,263			
	d	Net gain or (loss)		3,196,761			3,196,761		
	8a	Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18	a						
	b	Less direct expenses	b						
	c	Net income or (loss) from fundraising events . .							
	9a	Gross income from gaming activities See Part IV, line 19	a						
	b	Less direct expenses	b						
	c	Net income or (loss) from gaming activities . .							
	10a	Gross sales of inventory, less returns and allowances	a						
b	Less cost of goods sold	b							
c	Net income or (loss) from sales of inventory . .								
Miscellaneous Revenue		Business Code							
11a	OTHER INCOME	900099	705,479			705,479			
b									
c									
d	All other revenue								
e	Total. Add lines 11a-11d		705,479						
12	Total revenue. See Instructions		72,170,983	206,109	0	6,277,312			

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)
Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	525,384	525,384		
2	Grants and other assistance to individuals in the United States See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	5,414,772	4,587,537	211,661	615,574
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	22,237,056	18,867,996	872,658	2,496,402
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,244,948	1,045,773	47,574	151,601
9	Other employee benefits	2,305,973	1,937,048	88,120	280,805
10	Payroll taxes	1,656,121	1,391,164	63,287	201,670
11	Fees for services (non-employees)				
a	Management				
b	Legal	267,440	222,326	42,433	2,681
c	Accounting	67,000	55,698	10,630	672
d	Lobbying				
e	Professional fundraising See Part IV, line 17	3,952,210			3,952,210
f	Investment management fees				
g	Other	5,340,606	5,245,637	84,987	9,982
12	Advertising and promotion	4,508,784	4,072,843	370	435,571
13	Office expenses	16,656,396	10,908,239	204,884	5,543,273
14	Information technology	2,030,939	1,862,512	19,926	148,501
15	Royalties				
16	Occupancy	2,223,577	2,135,589	82,567	5,421
17	Travel	3,395,190	2,716,767	29,952	648,471
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	3,475,058	3,246,012	34,248	194,798
20	Interest	208,991	161,930	5,400	41,661
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	3,288,843	2,548,248	84,982	655,613
23	Insurance	200,999	179,726	17,035	4,238
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a	STAFF TRAINING	557,454	449,925	71,781	35,748
b	HONORARIA/WRITER'S FEES	285,181	156,681		128,500
c	TEMPORARY STAFFING	190,906	143,241	2,894	44,771
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	80,033,828	62,460,276	1,975,389	15,598,163
26	Joint costs. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation	13,320,077	9,990,841	0	3,329,236

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing			1,000	1	1,000
	2	Savings and temporary cash investments			6,395,996	2	10,897,487
	3	Pledges and grants receivable, net			16,993,033	3	8,348,100
	4	Accounts receivable, net				4	110,912
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L				5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) Complete Part II of Schedule L				6	
	7	Notes and loans receivable, net				7	
	8	Inventories for sale or use				8	
	9	Prepaid expenses and deferred charges			1,310,709	9	1,414,584
	10a	Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a	74,111,712			
	b	Less accumulated depreciation	10b	24,709,498	50,935,813	10c	49,402,214
	11	Investments—publicly traded securities			46,014,116	11	37,383,474
	12	Investments—other securities See Part IV, line 11			74,078,431	12	65,817,323
	13	Investments—program-related See Part IV, line 11				13	
	14	Intangible assets				14	
	15	Other assets See Part IV, line 11			438,473	15	734,300
	16	Total assets. Add lines 1 through 15 (must equal line 34)			196,167,571	16	174,109,394
Liabilities	17	Accounts payable and accrued expenses			9,172,851	17	9,615,477
	18	Grants payable				18	
	19	Deferred revenue				19	
	20	Tax-exempt bond liabilities				20	
	21	Escrow or custodial account liability Complete Part IV of Schedule D				21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L				22	
	23	Secured mortgages and notes payable to unrelated third parties			5,186,666	23	4,983,333
	24	Unsecured notes and loans payable to unrelated third parties				24	
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24) Complete Part X of Schedule D			16,988,376	25	16,279,037
	26	Total liabilities. Add lines 17 through 25			31,347,893	26	30,877,847
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.						
	27	Unrestricted net assets			143,688,866	27	133,271,628
	28	Temporarily restricted net assets			19,830,812	28	8,559,919
	29	Permanently restricted net assets			1,300,000	29	1,400,000
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 30 through 34.						
	30	Capital stock or trust principal, or current funds				30	
	31	Paid-in or capital surplus, or land, building or equipment fund				31	
	32	Retained earnings, endowment, accumulated income, or other funds				32	
	33	Total net assets or fund balances			164,819,678	33	143,231,547
	34	Total liabilities and net assets/fund balances			196,167,571	34	174,109,394

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	72,170,983
2	Total expenses (must equal Part IX, column (A), line 25)	2	80,033,828
3	Revenue less expenses Subtract line 2 from line 1	3	-7,862,845
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	164,819,678
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-13,725,286
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	143,231,547

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits		

SCHEDULE A
(Form 990 or 990EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box)

1

☐

A church, convention of churches, or association of churches section 170(b)(1)(A)(i).

2

☐

A school described in section 170(b)(1)(A)(ii). (Attach Schedule E)

3

☐

A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).

4

☐

A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state

5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II)

6

☐

A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).

7

☒

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi) (Complete Part II)

8

☐

A community trust described in section 170(b)(1)(A)(vi) (Complete Part II)

9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See section 509(a)(2). (Complete Part III)

10

☐

An organization organized and operated exclusively to test for public safety Seesection 509(a)(4).

11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h
a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
(i) a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?
(ii) a family member of a person described in (i) above?
(iii) a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									

Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	47,138,503	62,910,593	71,755,400	72,557,778	65,687,562	320,049,836
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	47,138,503	62,910,593	71,755,400	72,557,778	65,687,562	320,049,836
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						5,260,496
6 Public Support. Subtract line 5 from line 4						314,789,340

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7 Amounts from line 4	47,138,503	62,910,593	71,755,400	72,557,778	65,687,562	320,049,836
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	4,046,946	4,096,511	2,911,829	2,406,313	2,375,072	15,836,671
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income (Explain in Part IV) Do not include gain or loss from the sale of capital assets	6,187,141	104,561	234,621	369,275	705,479	7,601,077
11 Total support (Add lines 7 through 10)						343,487,584

12 Gross receipts from related activities, etc (See instructions)

121,059,607

13 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

14 Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))

1491 650 %

15 Public Support Percentage for 2010 Schedule A, Part II, line 14

1588 750 %

16a 33 1/3% support test—2011. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support test—2010. If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization

17a 10%-facts-and-circumstances test—2011. If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

b 10%-facts-and-circumstances test—2010. If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization

18 Private Foundation If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions

Part IIISupport Schedule for Organizations Described in IRC 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6.)						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15	
16 Public support percentage from 2010 Schedule A, Part III, line 15	16	

Section D. Computation of Investment Income Percentage		
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17	
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18	
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization		
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and stop here . The organization qualifies as a publicly supported organization		
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions		

Part IV

Supplemental Information. Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

Additional Data

Software ID:

Software Version:

EIN: 23-7327730

Name: THE HERITAGE FOUNDATION

Form 990, Special Condition Description:

Special Condition Description

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
THOMAS A SAUNDERS III CHAIRMAN	2 00	X		X				0	0	0
RICHARD M SCAIFE VICE CHAIRMAN	2 00	X		X				0	0	0
J FREDERIC RENCH SECRETARY	2 00	X		X				0	0	0
MEG ALLEN DIRECTOR	2 00	X						0	0	0
DOUGLAS ALLISON DIRECTOR	2 00	X						0	0	0
LARRY P ARNN PHD DIRECTOR	2 00	X						0	0	0
BELDEN BELL DIRECTOR	2 00	X						0	0	0
DAVID BROWN DIRECTOR	2 00	X						0	0	0
MIDGE DECTER DIRECTOR	2 00	X						0	0	0
MALCOLM STEVE FORBES DIRECTOR	2 00	X						0	0	0
ROBERT J HERBOLD DIRECTOR	2 00	X						0	0	0
TODD HERRICK DIRECTOR	2 00	X						0	0	0
WILLIAM JERRY HUME DIRECTOR	2 00	X						0	0	0
KAY COLE JAMES DIRECTOR	2 00	X						0	0	0
HON J WILLIAM MIDDENDORF II DIRECTOR	2 00	X						0	0	0
ABBY MOFFAT DIRECTOR	2 00	X						0	0	0
NERSI NAZARI DIRECTOR	2 00	X						0	0	0
ROBERT PENNINGTON DIRECTOR	2 00	X						0	0	0
J FREDERICH RENCH DIRECTOR	2 00	X						0	0	0
WILLIAM SIMON JR DIRECTOR	2 00	X						0	0	0
BRIAN TRACY DIRECTOR	2 00	X						0	0	0
BARB VAN ANDEL-GABY DIRECTOR	2 00	X						0	0	0
MARION WELLS DIRECTOR	2 00	X						0	0	0
EDWIN FEULNER JR PRESIDENT	40 00	X		X				1,097,788	0	71,893
PHILLIP TRULUCK EXECUTIVE VICE PRESIDENT	40 00	X		X				690,260	0	71,858

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)							(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099- MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former				
EDWIN MEESE III RONALD REAGAN DISTINGUISHED FELLOW	40 00			X				346,330	0	69,943	
DAVID ADDINGTON VP, DOMESTIC & ECONOMIC POLICY	40 00			X				206,373	0	30,692	
BECKY DUNLOP VP, EXTERNAL RELATIONS	40 00			X				213,468	0	42,872	
JOHN-PETER FOGARTY VP, DEVELOPMENT	40 00			X				201,416	0	43,778	
MICHAEL FRANC VP, GOVERNMENT STUDIES	40 00			X				225,423	0	58,695	
MIGUEL GONZALEZ VP, COMMUNICATIONS	40 00			X				212,739	0	52,506	
KIM HOLMES VP, DAVIS INSTITUTE FOR INT'L STUDIES	40 00			X				251,040	0	64,943	
TED SCHELENSKI VP, FINANCE & OPERATIONS	40 00			X				209,503	0	42,515	
MATTHEW SPALDING VP, AMERICAN STUDIES	40 00			X				164,374	0	46,191	
MICHAEL SPILLER VP, INFORMATION TECHNOLOGY	40 00			X				199,243	0	51,247	
JOHN VON KANNON VP AND SENIOR COUNSELOR	40 00			X				256,931	0	66,908	
GENEVIEVE WOOD VP, LEADERSHIP FOR AMERICA OPERATIONS	40 00			X				221,680	0	39,253	
KATHLEEN ROWAN EXECUTIVE ASSISTANT	40 00			X				109,028	0	17,767	
ERNEST ISTOOK DISTINGUISHED FELLOW	40 00					X		276,960	0	22,575	
ELAINE CHAO DISTINGUISHED FELLOW	40 00					X		265,553	0	22,575	
STUART BUTLER DISTINGUISHED FELLOW	40 00					X		256,463	0	70,908	
JAMES FOSTER NORMAN B TURE SENIOR FELLOW	40 00					X		210,088	0	35,694	
JAMES CARAFANO DIR , ALLISON CTR FOR FOREIGN POLICY STDS	40 00					X		192,683	0	16,862	

SCHEDULE C

(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No 1545-0047

2011

Open to Public
Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization THE HERITAGE FOUNDATION	Employer identification number 23-7327730
---	--

Part I-A

Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

Part I-B

Complete if the organization is exempt under section 501(c)(3).

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

Part I-C

Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities	▶ \$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$
4	Did the filing organization file Form 1120-POL for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A** ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B** ☐ if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a	Total lobbying expenditures to influence public opinion (grass roots lobbying)	0													
b	Total lobbying expenditures to influence a legislative body (direct lobbying)	0													
c	Total lobbying expenditures (add lines 1a and 1b)	0													
d	Other exempt purpose expenditures	80,033,828													
e	Total exempt purpose expenditures (add lines 1c and 1d)	80,033,828													
f	Lobbying nontaxable amount Enter the amount from the following table in both columns	1,000,000													
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g	Grassroots nontaxable amount (enter 25% of line 1f)	250,000													
h	Subtract line 1g from line 1a If zero or less, enter -0-	0													
i	Subtract line 1f from line 1c If zero or less, enter -0-	0													
j	If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No												

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount			1,000,000	1,000,000	2,000,000
b Lobbying ceiling amount (150% of line 2a, column(e))					3,000,000
c Total lobbying expenditures					
d Grassroots non-taxable amount			250,000	250,000	500,000
e Grassroots ceiling amount (150% of line 2d, column (e))					750,000
f Grassroots lobbying expenditures					

Part II-B

Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a)		(b)
		Yes	No	Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities? If "Yes," describe in Part IV			
j	Total lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE D
(Form 990)

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit <div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)

☐ Preservation of land for public use (e g , recreation or pleasure)

☐ Preservation of an historically importantly land area

☐ Protection of natural habitat

☐ Preservation of a certified historic structure

☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► _____

4

Number of states where property subject to conservation easement is located ► _____

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► _____

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
► \$ _____

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1

► \$ _____

(ii) Assets included in Form 990, Part X

► \$ _____

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

► \$ _____

b

Assets included in Form 990, Part X

► \$ _____

For Privacy Act and Paperwork Reduction Act Notice, see the Intructions for Form 990

Cat No 52283D

Schedule D (Form 990) 2011

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a	Beginning of year balance	122,278,641	114,267,069	94,681,554	134,559,493
b	Contributions	2,357,900	11,346,041	13,182,545	13,468,346
c	Investment earnings or losses	-8,275,637	15,188,077	19,910,200	-37,525,326
d	Grants or scholarships				
e	Other expenditures for facilities and programs	14,290,469	18,195,322	13,173,578	15,600,264
f	Administrative expenses	385,690	327,224	333,652	220,695
g	End of year balance	101,684,745	122,278,641	114,267,069	94,681,554

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶ 90 200 %

b

Permanent endowment ▶ 1 380 %

c

Term endowment ▶ 8 420 %

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
(i) unrelated organizations	3a(i)	No
(ii) related organizations	3a(ii)	No

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

3b

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land	8,733,268		8,733,268
b	Buildings	54,461,508	16,885,595	37,575,913
c	Leasehold improvements			
d	Equipment			
e	Other	10,916,936	7,823,903	3,093,033
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) ▶				49,402,214

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements			
1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	72,170,983
2	Total expenses (Form 990, Part IX, column (A), line 25)	1	80,033,828
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	-7,862,845
4	Net unrealized gains (losses) on investments	4	-12,927,299
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	-797,987
9	Total adjustments (net) Add lines 4 - 8	9	-13,725,286
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	-21,588,131

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return			
1	Total revenue, gains, and other support per audited financial statements	1	58,445,697
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	-12,927,299
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV)	2d	-797,987
e	Add lines 2a through 2d	2e	-13,725,286
3	Subtract line 2e from line 1	3	72,170,983
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12)	5	72,170,983

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return			
1	Total expenses and losses per audited financial statements	1	80,033,828
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV)	2d	
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	80,033,828
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV)	4b	
c	Add lines 4a and 4b	4c	0
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18)	5	80,033,828

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
DESCRIPTION OF INTENDED USE OF ENDOWMENT FUNDS	PART V, LINE 4	THE LONG-TERM INVESTMENT FUND, CONSISTING OF MULTIPLE FUNDED PROGRAMS, GENERAL BOARD DESIGNATED FUNDS AND OPERATING RESERVES, HAS BEEN ESTABLISHED IN ORDER TO SUPPORT THE GROWTH AND OPERATIONS OF THE FOUNDATION. THE INVESTMENTS IN THE FUND WILL BE MADE FOR THE EXCLUSIVE BENEFIT OF THE FOUNDATION. INDIVIDUAL DONOR-RESTRICTED FUNDS WILL BE GOVERNED BY THE TERMS OF THEIR GOVERNING PLAN DOCUMENTS. SEPARATE ACCOUNTING IS MAINTAINED FOR EACH FUND. FUNDS ARE USED ANNUALLY TO SUPPORT PROGRAMS IN ACCORDANCE WITH THE FOUNDATION'S SPENDING POLICY OR AS STIPULATED BY THE DONOR(S). THE LONG-TERM FUND INCLUDES A PERMANENT FUND, ESTABLISHED BY THE BOARD OF TRUSTEES, WITH THE MAIN OBJECTIVE OF LONG-TERM GROWTH OF CAPITAL IN ACCORDANCE WITH DONOR WISHES. THE PERMANENT FUND IS INCLUDED IN THE CALCULATION OF ANNUAL DRAWS USED TO SUPPORT THE OPERATIONS OF THE FOUNDATION.
DESCRIPTION OF UNCERTAIN TAX POSITIONS UNDER FIN 48	PART X	THE FOUNDATION IS A NOT-FOR-PROFIT ORGANIZATION EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(A), AS AN ENTITY DESCRIBED IN SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF 1986. THE FOUNDATION HAS BEEN CLASSIFIED BY THE INTERNAL REVENUE SERVICE AS A PUBLIC CHARITY AND IS NOT A PRIVATE FOUNDATION. CONTRIBUTIONS TO THE FOUNDATION ARE DEDUCTIBLE FOR FEDERAL INCOME, ESTATE, AND GIFT TAX PURPOSES. INCOME, WHICH IS NOT RELATED TO EXEMPT PURPOSES, IS SUBJECT TO TAX. THE FOUNDATION FOLLOWS THE ACCOUNTING STANDARD ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES, WHICH ADDRESSES THE DETERMINATION OF WHETHER TAX BENEFITS CLAIMED OR EXPECTED TO BE CLAIMED ON A TAX RETURN SHOULD BE RECORDED IN THE FINANCIAL STATEMENTS. UNDER THIS GUIDANCE, THE FOUNDATION MAY RECOGNIZE THE TAX BENEFIT FROM AN UNCERTAIN TAX POSITION ONLY IF IT IS MORE LIKELY THAN NOT THAT THE TAX POSITION WILL BE SUSTAINED ON EXAMINATION BY TAXING AUTHORITIES, BASED ON THE TECHNICAL MERITS OF THE POSITION. THE TAX BENEFITS RECOGNIZED IN THE FINANCIAL STATEMENTS FROM SUCH A POSITION ARE MEASURED BASED ON THE LARGEST BENEFIT THAT HAS A GREATER THAN 50 PERCENT LIKELIHOOD OF BEING REALIZED UPON ULTIMATE SETTLEMENT. THE GUIDANCE ON ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES ALSO ADDRESSES DE-RECOGNITION, CLASSIFICATION, INTEREST AND PENALTIES ON INCOME TAXES, AND ACCOUNTING IN INTERIM PERIODS. MANAGEMENT EVALUATED THE FOUNDATION'S TAX POSITIONS AND CONCLUDED THAT THE FOUNDATION HAD TAKEN NO UNCERTAIN TAX POSITIONS THAT REQUIRE ADJUSTMENT TO THE FINANCIAL STATEMENTS TO COMPLY WITH THE PROVISIONS OF THIS GUIDANCE. GENERALLY, THE FOUNDATION IS NO LONGER SUBJECT TO INCOME TAX EXAMINATIONS BY THE U.S. FEDERAL, STATE OR LOCAL TAX AUTHORITIES FOR YEARS BEFORE 2008.
PART XI, LINE 8 - OTHER ADJUSTMENTS		CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS - 924,400 UNREALIZED GAIN - INTEREST RATE SWAP 126,413 TOTAL TO SCHEDULE D, PART XI, LINE 8 - 797,987
PART XII, LINE 2D - OTHER ADJUSTMENTS		UNREALIZED LOSS - INTEREST RATE SWAP 126,413 CHANGE IN VALUE OF SPLIT-INTEREST AGREEMENT - 924,400

1

(a) Name of organization

(b) IRS code
section
and EIN (if
applicable)

(c) Region

(d) Purpose of grant

(e) Amount of cash grant

(f) Manner of cash disbursement

(g) Amount of
of non-cash
assistance

**(h) Description
of non-cash
assistance**

(i) Method of valuation (book, FMV, appraisal, other)

3 Enter total number of other organizations or entities

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16.
Use Part V if additional space is needed.

[illegible]

Part IV

Foreign Forms

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*

☐

Yes

☒

No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*

☐

Yes

☒

No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*

☐

Yes

☒

No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*

☐

Yes

☒

No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*

☒

Yes

☐

No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*

☐

Yes

☒

No

Part V Supplemental Information

Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

[illegible]

SCHEDULE G
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding
Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19,
or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public
Inspection

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I Fundraising Activities. Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1

Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a☒ Mail solicitations

e☐ Solicitation of non-government grants

b☒ Internet and e-mail solicitations

f☐ Solicitation of government grants

c☒ Phone solicitations

g☐ Special fundraising events

d☐ In-person solicitations

2a

Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?

☒ Yes ☐ No

b

If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
ODELL SIMMS & ASSOCIATES 7704 LEESBURG PIKE FALLS CHURCH, VA 22043	CONSULTS ON DIRECT MAIL PROGRAM		No	17,040,315	674,607	16,365,708
GIVE RIGHT INC 11500 OYLMPIC BLVD SUITE 540 LOS ANGELOS, CA 90064	TELEMARKETING PROGRAMS & THANK YOU FOLLOW UPS		No	4,825,853	2,221,838	2,604,015
KMA DIRECT COMMUNICATION 7160 DALLAS PARKWAY STE 400 PLANO, TX 75024	CONSULTS ON MULTI CHANNEL/MEDIA PROGRAM		No	1,910,645	772,862	1,137,783
WARFIELD & WALSH INC 601 S WASHINGTON STREET ALEXANDRIA, VA 223143004	CONSULTS ON DIRECT MAIL PROGRAM		No	1,649,556	242,972	1,406,584
BMD FULL SERVICE DIRECT MARKETING WASHINGTON ST 300 ALEXANDRIA, VA 22314	CONSULTS ON DIRECT MAIL PROGRAM		No	65,214	20,052	45,162
WEST DIRECT 11808 MIRACLE HILL DRIVE OMAHA, NE 681544403	TELEMARKETING PROGRAMS		No	24,004	14,379	9,625
PM GROUP 7550 IH-10 WEST SUITE 510 SAN ANTONIO, TX 78229	CONSULTS ON DIRECT MAIL PROGRAM		No	21,471	5,500	15,971
Total ▶				25,537,058	3,952,210	21,584,848

3

List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

AL, AK, AZ, AR, CO, CT, DE, DC, FL, HI, ID, IA, IL, IN, KS, KY, LA, ME, MA, MD, MT, MS, MO, MI, NE, NV, NH, NJ, NY, NM, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 50083H

Schedule G (Form 990 or 990-EZ) 2011

Part II Fundraising Events.

Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		(event type)	(event type)	(total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts			
	2	Less Charitable contributions			
	3	Gross income (line 1 minus line 2)			
Direct Expenses	4	Cash prizes			
	5	Non-cash prizes			
	6	Rent/facility costs			
	7	Food and beverages			
	8	Entertainment			
	9	Other direct expenses			
	10	Direct expense summary Add lines 4 through 9 in column (d) ▶			
	11	Net income summary Combine lines 3 and 10 in column (d). ▶			

Part III Gaming.

Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1	Gross revenue			
	2	Cash prizes			
Direct Expenses	3	Non-cash prizes			
	4	Rent/facility costs			
	5	Other direct expenses			
	6	Volunteer labor			
		<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	
		7 Direct expense summary Add lines 2 through 5 in column (d) ▶			()
		8 Net gaming income summary Combine lines 1 and 7 in column (d) ▶			

9 Enter the state(s) in which the organization operates gaming activities

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," Explain

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," Explain

- 11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No
- 12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a
b	An outside facility	13b

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name

Address

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

If "Yes," enter the amount of gaming revenue received by the organization and the amount of gaming revenue retained by the third party

c

If "Yes," enter name and address

Name

Address

16

Gaming manager information

Name

Gaming manager compensation

Description of services provided

☐ Director/officer ☐ Employee ☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year

Part IV

Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
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Schedule G (Form 990 or 990-EZ) 2011

Part III

Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

Part IV

Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
PROCEDURE FOR MONITORING GRANTS IN THE U S	PART I, LINE 2	SCHEDULE I, PART I, LINE 2 THE HERITAGE FOUNDATION MAKES PERIODIC CONTRIBUTIONS, BUT IS NOT A GRANT-MAKING ENTITY IN THE TRADITIONAL SENSE OUR CONTRIBUTIONS TO OTHER QUALIFYING ORGANIZATIONS IN 2011 COMPRISED APPROXIMATELY APPROXIMATELY SIX TENTHS OF ONE PERCENT OF OUR TOTAL ANNUAL EXPENSE IF AN ORGANIZATION SENDS A GRANT REQUEST, THE ORGANIZATION IS RESEARCHED AND REVIEWED BY STAFF TO DETERMINE IF A GRANT ALIGNS WITH OUR OBJECTIVES AND OVERALL MISSION IF A GRANT IS AWARDED, IT MUST BE USED TO SUPPORT THOSE PURPOSES THE GRANT AMOUNT IS THEN DETERMINED BY THE RELEVANT MANAGER AND AWARDED TO THE ORGANIZATION

Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I	Questions Regarding Compensation		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. <div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>			
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. <div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div><div><input checked="" type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>			
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		No
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III			
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.			
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		No
b	Any related organization?	5b		No
	If "Yes," to line 5a or 5b, describe in Part III			
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a		No
b	Any related organization?	6b		No
	If "Yes," to line 6a or 6b, describe in Part III			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		No
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual.

[illegible]

Part III **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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Software ID:
Software Version:
EIN: 23-7327730
Name: THE HERITAGE FOUNDATION

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
EDWIN FEULNER JR	(i)	501,263	575,300	21,225	49,000	25,533	1,172,321	0
	(ii)	0	0	0	0	0	0	0
PHILLIP TRULUCK	(i)	347,625	330,300	12,335	49,000	25,291	764,551	0
	(ii)	0	0	0	0	0	0	0
EDWIN MEESE III	(i)	283,601	55,300	7,429	47,050	26,536	419,916	0
	(ii)	0	0	0	0	0	0	0
DAVID ADDINGTON	(i)	193,373	12,100	900	30,692	2,725	239,790	0
	(ii)	0	0	0	0	0	0	0
BECKY DUNLOP	(i)	174,381	36,300	2,787	31,418	13,752	258,638	0
	(ii)	0	0	0	0	0	0	0
JOHN-PETER FOGARTY	(i)	165,827	35,300	289	28,514	20,129	250,059	0
	(ii)	0	0	0	0	0	0	0
MICHAEL FRANC	(i)	177,965	46,300	1,158	35,802	25,196	286,421	0
	(ii)	0	0	0	0	0	0	0
MIGUEL GONZALEZ	(i)	171,779	40,150	810	29,648	25,114	267,501	0
	(ii)	0	0	0	0	0	0	0
KIM HOLMES	(i)	201,478	47,300	2,262	42,050	25,192	318,282	0
	(ii)	0	0	0	0	0	0	0
TED SCHELENSKI	(i)	166,647	36,300	6,556	31,062	14,160	254,725	0
	(ii)	0	0	0	0	0	0	0
MATTHEW SPALDING	(i)	149,535	14,300	539	23,298	24,985	212,657	0
	(ii)	0	0	0	0	0	0	0
MICHAEL SPILLER	(i)	163,328	35,300	615	28,389	24,448	252,080	0
	(ii)	0	0	0	0	0	0	0
JOHN VON KANNON	(i)	197,839	55,300	3,792	44,050	25,238	326,219	0
	(ii)	0	0	0	0	0	0	0
GENEVIEVE WOOD	(i)	178,964	42,300	416	32,081	9,264	263,025	0
	(ii)	0	0	0	0	0	0	0
ERNEST ISTOOK	(i)	272,994	150	3,816	22,575	2,972	302,507	0
	(ii)	0	0	0	0	0	0	0
ELAINE CHAO	(i)	262,900	300	2,353	22,575	2,037	290,165	0
	(ii)	0	0	0	0	0	0	0
STUART BUTLER	(i)	212,125	40,300	4,038	46,050	27,262	329,775	0
	(ii)	0	0	0	0	0	0	0
JAMES FOSTER	(i)	205,536	3,650	902	19,016	18,638	247,742	0
	(ii)	0	0	0	0	0	0	0

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JAMES CARAFANO	(i)	167,833	23,300	1,550	16,862	2,156	211,701	0
	(ii)	0	0	0	0	0	0	0

Schedule L
(Form 990 or 990-EZ)

Transactions with Interested Persons
▶ Complete if the organization answered
"Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c,
or Form 990-EZ, Part V lines 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2011
Open to Public Inspection

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number

23-7327730

Part I Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 ▶ \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization ▶ \$

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c) Original principal amount	(d) Balance due	(e) In default?		(f) Approved by board or committee?		(g) Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total ▶ \$										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) R HAGELIN COMM & MKTG	FIRM OWNED BY FORMER OFFICER REBECCA HAGELIN	1,348,430	FORMER V P OF COMMUNICATIONS, REBECCA HAGELIN, IS A GREATER THAN 35% OWNER OF REBECCA HAGELIN COMMUNICATIONS & MARKETING THE FIRM FACILITATES A PORTION OF OUR ADVERTISING AND SPONSORSHIP RELATIONSHIPS ALL OF THE AMOUNT PAID TO THE FIRM IN 2010 REPRESENTS PASS THROUGH PAYMENTS TO ADVERTISERS, NOT CONSULTING FEES		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
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SCHEDULE M
(Form 990)

NonCash Contributions

OMB No 1545-0047

2011

Open to Public Inspection

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.
► Attach to Form 990.

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I

Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art	X	1	82,500	EXPERT OPINION/VALUATION
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	X	152	2,300,991	MARKET VALUE FROM SALES
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (SPONSORSHIP) EVENT	X	2	5,005	AT COST
26 Other ► ()				
27 Other ► ()				
28 Other ► ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

30a

Yes

No

No

b If "Yes," describe the arrangement in Part II

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

31

Yes

No

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions?

32a

No

b If "Yes," describe in Part II

33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat No 51227J

Schedule M (Form 990) 2011

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
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SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

**Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.**
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

2011

**Open to Public
Inspection**

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number

23-7327730

Identifier	Return Reference	Explanation
UNRELATED BUSINESS TAXABLE INCOME	FORM 990, PAGE 1, PART I, LINE 7	THE FORM 990-T FOR THE ORGANIZATION WILL BE FILED WITH THE IRS AFTER THE FORM 990 IS FILED THE FORM 990-T HAS BEEN EXTENDED UNTIL 11/15/2012

Identifier	Return Reference	Explanation
LOSS ON OPERATIONS	FORM 990, PAGE 1, PART 1, LINE 19	NOTE ON LOSS RESULTING FROM EXPENSES EXCEEDING REVENUES IN 2011 THE MAJORITY OF THE LOSS IS THE RESULT OF WRITING OFF TWO LARGE PLEDGES THAT THE FOUNDATION DETERMINED WERE NOT COLLECTIBLE PRIOR TO 2011, THE FOUNDATION HAS NEVER WRITTEN OFF ANY PLEDGES OF THIS MAGNITUDE

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 11	THE CHIEF ACCOUNTANT COMPILES NECESSARY INFORMATION TO COMPLETE FORM 990 INDEPENDENT PAID TAX PREPARERS THEN ASSIST IN COMPLETING THE FORM FOR FURTHER REVIEW BY MANAGEMENT DRAFTS ARE REVIEWED BY THE FOUNDATION'S CONTROLLER AND ASSISTANT CONTROLLER THE COMPLETED DRAFT IS THEN REVIEWED BY THE V P OF FINANCE & OPERATIONS ONCE ALL CORRECTIONS HAVE BEEN MADE, THE FORM IS REVIEWED BY THE PRESIDENT/CEO AND EXECUTIVE V P THOUGH THE BOARD DOES NOT REVIEW THE 990 PRIOR TO FILING, THE BOARD DOES RECEIVE A COMPLETED COPY OF THE 990 AFTER FILING

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 12C	ALL NEW EMPLOYEES ARE PROVIDED A COPY OF THE FOUNDATION'S EMPLOYEE HANDBOOK, WHICH ADDRESSES CONFLICTS OF INTEREST. EMPLOYEES MUST SIGN AND ACKNOWLEDGE THEY HAVE REVIEWED AND WILL ADHERE TO ALL POLICIES CONTAINED WITHIN THE FOUNDATION'S EMPLOYEE HANDBOOK. SPECIFICALLY, THE EMPLOYEE HANDBOOK STATES, "NO EMPLOYEE WILL DO ANYTHING IN THE CONDUCT OF HERITAGE OPERATIONS THAT WOULD VIOLATE ANY FEDERAL, STATE, OR LOCAL LAW, REGULATION, OR ORDINANCE. OUTSIDE WORK WHICH IS IN CONFLICT WITH THE EFFORTS OF THE FOUNDATION IS PROHIBITED." THE HERITAGE FOUNDATION ALSO MAINTAINS A CONFLICT OF INTEREST POLICY FOR ALL TRUSTEES, WHO ARE REQUIRED TO SIGN AN ANNUAL DISCLOSURE OF CONFLICTS OF INTEREST.

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION B, LINE 15	<p>COMPENSATION, INCLUDING SALARIES, BONUSES AND BENEFITS, FOR OUR PRESIDENT, EXECUTIVE VICE PRESIDENT, AND OTHER MEMBERS OF SENIOR MANAGEMENT IS AUTHORIZED BY THE HERITAGE FOUNDATION'S INDEPENDENT BOARD OF TRUSTEES, AND BASED ON THE RECOMMENDATION OF THE BOARD'S COMPENSATION COMMITTEE. IN 2010, THE COMPENSATION COMMITTEE WAS COMPRISED OF FIVE INDEPENDENT, VOLUNTEER BOARD MEMBERS WHO WERE NOT, AND HAVE NEVER BEEN, EMPLOYEES OF THE FOUNDATION. IN DEVELOPING ITS RECOMMENDATIONS, THE COMMITTEE CONSIDERS MARKET DATA AND OTHER SALARY AND BENEFIT SURVEY INFORMATION REGARDING THE COMPENSATION OF SIMILARLY SITUATED EXECUTIVES, WHICH IS PREPARED FOR THE COMMITTEE BY AN OUTSIDE COMPENSATION EXPERT. BECAUSE THE MANAGEMENT AND LEADERSHIP SKILLS OF HERITAGE EXECUTIVES HAVE A SIGNIFICANT EFFECT ON THE FOUNDATION'S SUCCESS, A SIGNIFICANT PORTION OF CASH COMPENSATION IS IN THE FORM OF A BONUS. BONUSES ARE CONTINGENT ON THE SUCCESS OF THE ORGANIZATION, THE DEPARTMENTS THE EXECUTIVE LEADS, AND THEIR OWN PERFORMANCE AND ACHIEVEMENT OF ESTABLISHED GOALS. GOALS ARE REVIEWED MID-YEAR AND ANNUALLY AND QUARTERLY. REPORTS OF FOUNDATION ACTIVITIES ARE PROVIDED TO THE BOARD. IN CONSIDERING AND APPROVING TOTAL COMPENSATION FOR 2010, THE COMPENSATION COMMITTEE AND THE FULL BOARD OF TRUSTEES ALSO APPROVED BENEFITS PROVIDED UNDER AN EMPLOYER-FUNDED QUALIFIED RETIREMENT PLAN, GROUP HEALTH, LIFE AND LONG-TERM DISABILITY AND LONG-TERM CARE INSURANCE PLANS, AND OTHER BENEFITS.</p>

Identifier	Return Reference	Explanation
	FORM 990, PART VI, SECTION C, LINE 19	THE HERITAGE FOUNDATION MAKES ITS 990 AND FINANCIAL STATEMENTS, AVAILABLE UPON REQUEST IN COMPLIANCE WITH THE LAW

Identifier	Return Reference	Explanation
CHANGES IN NET ASSETS OR FUND BALANCES	FORM 990, PART XI, LINE 5	NET UNREALIZED LOSSES ON INVESTMENTS -12,927,299 CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS -924,400 UNREALIZED GAIN - INTEREST RATE SWAP 126,413 TOTAL TO FORM 990, PART XI, LINE 5 -13,725,286

Identifier	Return Reference	Explanation
REASON FOR FILING OF AMENDED 2011 FORM 990	FORM 990, PAGE 1, B, AMENDED RETURN	AN AMENDED 2011 FORM 990 IS BEING FILED TO CORRECT THE AMOUNT OF GROSS RECEIPTS ASSOCIATED WITH THE FUND RAISING ACTIVITIES OF GIVE RIGHT, INC , A PROFESSIONAL FUNDRAISING ORGANIZATION REPORTED IN PART I OF THE SCHEDULE G THE CORRECTED AMOUNT OF GROSS RECEIPTS FROM THE CONDUCT OF GIVE RIGHT INC 'S FUNDRAISING ACTIVITIES IS \$4,825,853 IN ADDITION, SCHEDULE F IS BEING CHANGED TO SHOW THE UPDATED EXPENDITURE AMOUNTS AND THE NUMBER OF EMPLOYEES, AGENTS, AND INDEPENDENT CONTRACTORS FOR EUROPE AND EAST ASIA AND THE PACIFIC

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization
THE HERITAGE FOUNDATION

Employer identification number
23-7327730

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
(1) HERITAGE ACTION FOR AMERICA 214 MASS AVE NE WASHINGTON, DC 20002 27-2244700	ADVOCACY	DC	501(C)(4)		THE HERITAGE FOUNDATION		No
(2) THE HERITAGE INSTITUTE 214 MASS AVE NE WASHINGTON, DC 20002 52-1193835	PUBLIC CHARITY	DC	501(C)(3)	LINE 7			No

Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

Lease of facilities, equipment, or other assets to related organization(s)

j

Lease of facilities, equipment, or other assets from related organization(s)

k

Performance of services or membership or fundraising solicitations for related organization(s)

l

Performance of services or membership or fundraising solicitations by related organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

Yes

Yes

Yes

Yes

No

No

No

No

No

No

No

No

No

No

No

No

No

No

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) HERITAGE ACTION FOR AMERICA	B	400,000	CASH
(2) HERITAGE ACTION FOR AMERICA	P	70,436	FMV
(3) HERITAGE ACTION FOR AMERICA	I	120,267	FMV
(4) HERITAGE ACTION FOR AMERICA	K	585,088	COST OF SERVICES
(5)			
(6)			

Schedule R (Form 990) 2011

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]

Part VII

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation	
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Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

**TY 2011 Functional Currency and
Exchange Rate QBU Statement**

Name: THE HERITAGE FOUNDATION
EIN: 23-7327730

QBU Id	Country of Operation	Functional Currency
USD		1